

**FEDERAL PERKINS LOAN PROGRAM
FEDERAL PERKINS LOAN****Disclosure Information Statement**

Pursuant to the National (Federal) "Truth In Lending Law", the following Disclosure Statement is given by the Lender ([School Name Here]) to the student borrower as signed on reverse side of this document and is subject to certain conditions specified in the Promissory Note:

The grand total of your Federal Perkins Loan (that amount will be the sum of all loan advances awarded during your student status at this Institution) will be subject to the following terms:

1. The lender is required to report this loan to any credit bureau organization with which the Secretary has an agreement. The loan will be reported at the time of disbursement and the disclosed information will include the amount of each loan and information specified under S430 A (a) of the H.E.A. for the Part B Federal Family Education Loan Program. This includes reporting defaulted loan(s) to a credit bureau organization.
2. The FINANCE CHARGE shall consist solely of interest computed on the outstanding (net unpaid) balance of principal at the ANNUAL PERCENTAGE RATE OF FIVE PERCENT (5%). Interest will actually accrue starting nine (9) months after you cease to be at least a half-time student. Possible exceptions to this time designation would be eligible deferment (postponement) reasons, as outlined in your Promissory Note and Statement of Rights and Responsibilities.
3. The repayment schedule of this loan will be on a quarterly basis commencing twelve (12) months after terminating half-time status.
4. The minimum quarterly repayment of this loan is \$120.00 (or \$90.00 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$90.00 minimum payment option).
5. The maximum repayment period is ten (10) years.
6. A no interest, no repayment period is established at the time of initial termination at least half-time student status. This period of time covers a full nine (9) months and is referred to as the GRACE PERIOD.
7. The borrower has the option (without penalty or premium) of repaying the loan in full or partially during the "Grace Period" totally interest free. In addition, the loan balance may be paid off in full at any time during the scheduled repayment period and would include any accrued interest to date.
8. If any scheduled payment cannot be met on time, the student borrower must contact the [Name of Financial Aid Office Here] prior to the scheduled due date and advise when the payment will be remitted. The repayment plan of a loan account will be changed to a monthly basis if the payment due is not received in the [Name of Financial Aid Office Here] within fifteen (15) days of the scheduled due date. The loan will legally enter default if the payment due is not received in the [Name of Financial Aid Office Here] within approximately one hundred twenty (120) days of the scheduled due date. Upon such default or failure, a stop-hold will be placed on the student borrower's records which will cause transcripts to be withheld and future registration denied. Such defaulted loan accounts can be referred to an outside licensed collection agency, fully accelerated for the complete and remaining balance which includes total net balance of principal, accrued interest, late payment fee assessments, and all reasonable collection fees and costs including those of attorneys. A "final notice" would be sent by the Institution to the borrower prior to such action. Also, borrowers whose loan accounts have been referred to an outside collection agency will automatically forfeit their rights for cancellation credits, deferments, and postponements, as outlined in the Promissory Note.
9. A late payment fee may be automatically assessed and charged for each individual scheduled payment at a rate not to exceed twenty percent (20%) of each past due scheduled payment.
10. It must be understood that this loan (total advances) is to be used only for the borrower's education expenses and requirements as needed.